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A Report to the Montana Legislature

Performance Audit

Upland Game Bird Enhancement Program

Department of Fish, Wildlife and Parks

March 2009

Legislative Audit Division

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Members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, journalism, accounting, economics, sociology, finance, political science, english, anthropology, computer science, education, international relations/security, and chemistry.

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March 2009

The Legislative Audit Committee
of the Montana State Legislature:

This is our performance audit report of the Upland Game Bird Enhancement Program (UGBEP) within the Wildlife Division of the Department of Fish, Wildlife and Parks (FWP).

This report provides the Legislature information about the UGBEP's current program funding structure, strategic planning practices, and the use of management information in decision-making. This report includes recommendations aimed at strengthening the program strategic planning process and use of program funds.

We wish to express our appreciation to FWP Wildlife Division personnel for their cooperation and assistance during the audit.

Respectfully submitted,

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Legislative Auditor

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TABLE OF CONTENTS

Figures and Tables iii
Appointed and Administrative Officials iv
Report Summary S-1

CHAPTER I – INTRODUCTION 1
Introduction 1
Audit Scope and Objectives 1
Audit Methodologies 1
Report Organization 2

CHAPTER II – UPLAND GAME BIRD ENHANCEMENT PROGRAM BACKGROUND 3
Introduction 3
UGBEP History 4
Upland Game Bird Release Program 4
Upland Game Bird Habitat Enhancement Program (UGBHEP) 5
Types of Habitat Enhancement Projects 6
Selection of Habitat Enhancement Projects 7
Habitat Enhancement Project Cost-Share Requirements 8
UGBEP Administration 8

CHAPTER III – PROGRAM FUNDING 9
Introduction 9
How the Program is Funded 9
The Habitat Enhancement Program Fund Balance is Increasing 10
Habitat Enhancement Program Project Trends 11
How Have Statutory Requirements Impacted Program Activities? 13
Statute Limits Program Effectiveness 14

CHAPTER IV – MANAGEMENT OF THE UGBEP PROGRAM 15
Introduction 15
Limited Management Controls are Impacting Program Priority and Future 15
Strategic Planning Could Better Focus Program Decisions and Regional Activities 16
Management Plans Exist in Other Habitat Programs 18
Game Management Planning in Other States 18
Develop a Long-Term Program Management Plan 18
UGBEP Advisory Council Could Improve Program Accountability 19
Program Management Information 20
Database Information Incomplete and Inaccurate 20
Database Inaccuracies Impact Program Management 21
Program Information Needed at Regional Level 21
Other FWP Programs Provide Regional Database Information 21
How to Prevent Future Database Errors 22

DEPARTMENT RESPONSE A-1
Department of Fish, Wildlife and Parks A-3

FIGURES AND TABLES

Figures

Figure 1 Department of Fish, Wildlife and Parks Regions 3
Figure 2 Fiscal Year-End Habitat Enhancement Fund Balance 11
Figure 3 Total New Habitat Enhancement Contracts Created Each Calendar Year 12

Tables

Table 1 Upland Game Birds Released by Region 5
Table 2 Habitat Enhancement Projects Types 6
Table 3 Current Habitat Enhancement Projects by Region 7
Table 4 2008 Distribution of Upland Game Bird Hunting License Fee to the UGBEP 9
Table 5 Program Revenues and Expenditures 10
Table 6 Number and Percentage of Habitat Enhancement Projects Expiring 16
Table 7 Types and Amount of Incomplete Information Found in Database 20

Appointed and Administrative Officials

Fish, Wildlife and Parks Commission	Shane Colton, Chairman	Billings
	Willie Doll, Commissioner	Malta
	Dan Vermillion, Commissioner	Livingston
	Victor Workman, Commissioner	Whitefish
	Bob Ream, Commissioner	Helena
	Ran Moody, Commissioner	Lewistown

Department of Fish, Wildlife and Parks	Joe Maurier, Acting Director
	Gary Bertellotti, Acting Chief of Field Operations
	Chris Smith, Deputy Director
	Sue Daly, Chief of Finance
	Ken McDonald, Administrator, Wildlife Division

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Upland Game Bird Enhancement Program (UGBEP)

Removing the statutory 15 percent limit on administrative expenses, creating an UGBEP citizen's advisory council, and developing an upland game bird management plan could help address the declining trend in habitat enhancement projects and improve program priority within the Department of Fish, Wildlife and Parks (FWP).

Introduction

The UGBEP was created by the legislature in 1989 by modifying an existing pheasant release program enacted in 1987. The program's main focus involves releasing upland game birds in suitable habitat and enhancing, developing and conserving upland game bird habitat. Section 87-1-247(3)(a), MCA, mandates at least 15 percent of funds collected through the sale of upland game bird hunting licenses be set aside for expenditures related to upland game bird releases and at least 25 percent of these funds be spent each year. Section 87-1-247(1), MCA, also establishes that no more than 15 percent of funds collected through the sale of upland game bird hunting licenses can be used for expenses related to specific administrative duties.

Audit Findings

Our first objective was to determine if the current use of program funds promotes effective management of the program. We found the current funding structure has resulted in an increasing program fund balance and has hindered the ability of the program to dedicate program resources in the regions. Analysis of habitat enhancement projects found the program is facing a significant decline in total number of active habitat enhancement projects. In the next five years 61 percent of all currently active projects will expire. In addition, since the late 1990s the program has been creating fewer new habitat enhancement projects and this trend will likely continue.

Habitat Enhancement Projects Expiring by CYE 2013

Region	Active Projects	Expiring Projects (%)
1	6	4 (67%)
2	13	13 (100%)
3	11	8 (73%)
4	86	55 (64%)
5	39	15 (38%)
6	119	75 (63%)
7	80	47 (59%)
Total	354	217 (61%)

Source: Compiled by the Legislative Audit Division from FWP records.

Our final audit objective related to management controls. Specifically, we concentrated on strategic planning and evaluated program information used to make management decisions. Unlike many

other programs within the Wildlife Division, the UGBEP does not have a management plan to guide program operations despite the program being in existence for over 20 years. Since program management decisions are not based off long-term program goals and objectives, decisions regarding program activities and future direction may not be in the best long-term interest of the UGBEP. We also found the database used by the program to store project data had a significant number of errors such as contract termination dates, project acreage, and project cost-share information. The current state of the database impacts the department's ability to effectively manage the program.

Audit Recommendations

Audit recommendations address improvements in program funding and strengthening management controls over program operations. Four recommendations were made to the department to improve UGBEP operations.

- Revisit the 15 percent funding allocations used for designated administrative duties found in section 87-1-247(1), MCA.
- Develop an upland game bird management plan which is driven by specific goals, quantifiable objectives, and results-oriented performance measures.
- Create an UGBEP advisory council to assist in management planning and provide a review mechanism to assess whether program goals and objectives are being accomplished.
- Correct errors in existing database information, establish controls to assure database information is complete and accurate, and assure program information is accessible at the regional level.

Chapter I – Introduction

Introduction

The Department of Fish, Wildlife and Parks (FWP) is responsible for managing Montana's wildlife and the habitat in which it resides. Based on comments/concerns from legislators and the general public regarding the Upland Game Bird Enhancement Program (UGBEP), a performance audit was requested by the Legislative Audit Committee. This is the second Legislative Audit Division (LAD) performance audit of program operations. The first audit (01P-04) was published in December 2000 with a follow-up issued in December 2002. This report presents audit results regarding program administration, including management controls and program funding.

Audit Scope and Objectives

Audit scope focused on program management controls and use of program funds. Based on audit assessment work, we developed audit objectives to determine if:

1. Current use of funds impacts effective management of the program.
2. Management controls for the program need to be strengthened.

Although trends and analysis work conducted during the audit focused on the habitat enhancement program, the recommendations in this audit apply to the UGBEP as a whole.

Audit Methodologies

To address these objectives, we performed the following audit methodologies:

- Reviewed state laws and administrative rules related to the program
- Interviewed FWP management and staff in both Helena and in the regions
- Reviewed program policies and procedures
- Visited habitat enhancement projects sites in three regions to review compliance with project signage requirements
- Reviewed the 2000 Upland Game Bird Habitat Enhancement Program (UGBHEP) LAD performance audit and the subsequent 2002 follow-up audit
- Interviewed upland game bird stakeholders including private citizens and representatives from the Montana Wildlife Federation, the Private Lands/ Public Wildlife Council and Pheasants Forever
- Attended a Wildlife Division staff meeting and reviewed minutes from previous Wildlife Division staff meetings and Wildlife Division managers meetings.

- Reviewed a report issued by the 2003 Upland Game Bird Citizen's Advisory Council
- Evaluated program budget information and expenditure trends and how decisions are made to spend program funds
- Reviewed the UGBEP database to evaluate the accuracy and usefulness of management information
- Reviewed management plans from other FWP wildlife programs such as elk and black bear
- Reviewed position descriptions and performance evaluations of Wildlife Division staff members
- Obtained information and interviewed officials from other state wildlife agencies about upland game bird management strategies

Report Organization

The remainder of this report is divided into three chapters.

- Chapter II reviews the background of the program
- Chapter III examines the current program funding structure
- Chapter IV discusses the program's management controls

CHAPTER II – Upland Game Bird Enhancement Program Background

Introduction

Section 87-1-201, MCA, assigns responsibility to the Department of Fish, Wildlife and Parks (FWP) to supervise all the wildlife, fish, game and nongame birds, waterfowl and the game and fur-bearing animals of the state. FWP's Wildlife Division is charged with protecting, enhancing, and regulating the use of state's wildlife resources. To accomplish this, the division manages numerous wildlife management programs, including the Upland Game Bird Enhancement Program (UGBEP). FWP is a partially decentralized agency. Wildlife Division headquarters is located in Helena and seven regional offices are located throughout the state. Figure 1 illustrates the department's regional structure.

Figure 1
Department of Fish, Wildlife and Parks Regions

Source: Created by the Legislative Audit Division.

The Wildlife Division is responsible for developing policies for all wildlife programs the division administers. Regional wildlife managers and staff are responsible for implementing the division's policies for the seven regions.

UGBEP History

The UGBEP was created by the legislature in 1989 by modifying an existing pheasant release program enacted in 1987. The 1989 legislature added a provision which allowed unexpended pheasant release funds remaining at the end of the fiscal year to be devoted to the development, enhancement and conservation of upland game bird habitat. Habitat enhancement efforts were intended to include assistance to landowners in the establishment of suitable nesting cover, winter cover and feeding areas. Prior audit work found habitat enhancement projects generally complement existing agricultural uses and try to create a habitat that meets the needs of upland game birds, which include grouse, partridges, turkeys, and pheasants. The 1989 Legislature also changed the focus of the pheasant release program to include the release of all upland game birds. There are two programs under the umbrella of the UGBEP: the upland game bird release program, and the habitat enhancement program.

Upland Game Bird Release Program

Section 87-1-247(3)(a), MCA, mandates at least 15 percent of the funds designated for program funding from the sale of upland game bird hunting licenses be set aside each fiscal year for expenditures related to upland game bird releases. At least 25 percent of the funds set aside for releases must be spent each year. Participants in the release program may either raise or purchase birds for release. Regional wildlife biologists assess the potential release site for suitable habitat that provides released upland game birds with sufficient woody and winter cover, nearby food sources and idle cover. If the release site is on private land, the landowner must also agree to allow reasonable free public hunting. The following table outlines the total upland game birds released statewide in 2008.

Table 1
Upland Game Birds Released by Region
Calendar Year 2008

* Region	Pheasants**			Turkeys**		
	Number of Contracts	Pheasants Released	Acreage Open to Hunting	Number of Contracts	Turkeys Released	Acreage Open to Hunting
4	21	4,465	42,775	1	94	15,000
5	1	150	4,160	0	0	0
6	96	13,475	97,761	1	62	40,000
7	9	1,078	24,486	0	0	0
Total	**127**	**19,168**	**169,182**	**2**	**156**	**55,000**

Source: Compiled by the Legislative Audit Division from FWP reports.

*No releases in regions 1, 2, and 3.
**Pheasants and turkeys were the only upland game birds released in 2008.

Approximately 19,300 upland game birds were released on 224,000 acres open to public upland game bird hunting in regions 4, 5, 6, and 7 as a result of these contracts.

Upland Game Bird Habitat Enhancement Program (UGBHEP)

The habitat enhancement program is responsible for the development, enhancement, and conservation of upland game bird habitat. ARM 12.9.705(1) states, in part, that all habitat enhancement projects include a cost-share or in-kind contribution agreement between the department and a landowner. Landowners include private landowners, Pheasants Forever chapters, BLM, U.S. Fish and Wildlife Service, U.S. Department of Agriculture (USDA) programs and the National Wild Turkey Federation. Contract terms vary but must include a stipulation in which the landowner allows public upland game bird hunting access. In addition, all projects must have signs indicating the location of the project and landowner contact information. Current active habitat enhancement contracts allow public upland game bird hunting access on approximately 800,000 acres of private land.

Types of Habitat Enhancement Projects

The habitat enhancement program has a number of different projects that focus on specific upland game bird species. Below is a table outlining the types of habitat enhancement projects the program currently implements.

Table 2
Habitat Enhancement Projects Types

Type of Project	Typical Contract Term	Project Purpose
Aspen Regeneration	10 to 15 years	Improve aspen growth
Grazing Management	15+ years	Provide undisturbed grass and forb cover
Nesting Cover	10 years	Establishing dense vegetation for bird nesting
Sagebrush Leases	30 years	Improve sage grouse habitat
Shelterbelts	15 years	Establish woody cover for shelter and food
Wetland Restoration	15 years	Restore wetlands to improve habitat
Food Plots	1 to 5 years	Unharvested grain or other crops for food

Source: Compiled by the Legislative Audit Division from FWP records.

As shown, some projects focus on food while others focus on creating a more suitable habitat for upland game birds. These contracts vary from one year to 30 years in length depending on the type of habitat project developed.

A habitat enhancement contract can consist of multiple projects. These projects are located statewide. The table on the next page illustrates the number and types of active projects, as well as their locations.

Table 3
Current Habitat Enhancement Projects by Region
As of August 2008

Project Type	Region							Project Total
	1	2	3	4	5	6	7	
Aspen Regeneration					1			1
Grazing Management	1		1	1	4	16	15	38
Nesting Cover	2		3	21	6	44	18	94
Sagebrush Leases				2	9	2	17	30
Shelterbelts	2	8	6	50	16	47	23	152
Wetland Restoration				4	1			5
Food Plots	1	5	1	8	2	10	7	34
Region Total	**6**	**13**	**11**	**86**	**39**	**119**	**80**	**354**

Source: Compiled by the Legislative Audit Division from FWP records.

Currently, there are 354 active habitat enhancement projects, with the majority located in regions 4, 6, and 7. Most of these projects encompass nesting cover and shelterbelts.

Selection of Habitat Enhancement Projects

Initially, wildlife biologists in each region actively recruited prospective landowners and accepted nearly all applications received from landowners who were interested in creating or enhancing upland game bird habitat. Due to advertising and initial program satisfaction, more landowners became interested in the program. FWP also began to re-examine funding usage in terms of how to maximize both existing habitat and utilize the program in coordination with other department programs such as Block Management and conservation easements. A substantial number of the existing contracts were developed as a result of landowner decisions to place agricultural lands into the USDA's Conservation Reserve Program (CRP). At least partially as a result of CRP provisions, FWP personnel seldom needed to recruit landowners for habitat enhancement program participation in the past. However, as will be discussed later in chapter III, recruitment of new landowners is becoming a major challenge for the program.

Habitat Enhancement Project Cost-Share Requirements

ARM 12.9.705(1) states, in part, the department compensates landowners or organizations by cost-sharing the actual costs incurred for completed habitat enhancement projects as set forth in a contract. Cost-sharing is negotiated on an individual project basis. In-kind services such as labor may be used for the landowners' portion of the cost-share. The same ARM requires the department cover no more than 75 percent of the total cost of any habitat enhancement project. In addition, section 87-1-248, MCA, does not allow the department's costs for any project to exceed $100,000 without authorization from the FWP Commission, or allow any project to exceed $200,000. Additional statutory requirements note department expenses on any project for the purchase of buildings or equipment cannot exceed $25,000 and the department will cover no more than 50 percent of the costs of wells, pipelines, and roads.

UGBEP Administration

The UGBEP is housed within FWP's Wildlife Division Management Bureau. It is administered using the department's decentralized organizational approach. Currently, there is one individual who works directly with the program; the UGBEP biologist in Helena who is responsible for general program administration. This position, which was created in October 2008, reviews and approves project contracts, monitors and tracks overall program expenditures and project-related management information, and helps to establish a coordinated programmatic approach through policy and procedure decisions. The hiring of the UGBEP biologist is the first time the program has had an FTE dedicated solely to its operations. Prior to the biologist being hired, the program was administered by a Game Bird Coordinator who was only able to dedicate a fraction of their time to the program, because the coordinator administered other programs in addition to the UGBEP. Both of these positions report to the Management Bureau chief. The Wildlife Division administrator provides oversight of division staff and manages program operations. The division also has an administrative assistant who works with the program on a part-time basis. Currently, this position's duties primarily include entering contract data into the program database.

In the seven FWP regions, program administration is primarily the responsibility of the regional wildlife manager. The regional wildlife biologists report to this wildlife manager and generally work with landowners and federal agencies to identify and develop potential project types and locations. If landowners are not willing to provide publicly listed hunting access to project sites and/or other lands, projects will not be placed on their land. Upon selection and approval of a project site and contract conditions by regional and Helena staff, the project is developed. The project type dictates the amount of landowner involvement in the project. For example, a shelterbelt requires more landowner attention than other types of projects during the initial years of the contract because of the maintenance needed to ensure they grow successfully.

CHAPTER III – Program Funding

Introduction

Our first objective was to determine if the current use of Upland Game Bird Enhancement Program (UGBEP) funds promotes effective management of the program. We found the current funding structure has resulted in an increasing program fund balance and has hindered the ability of the program to dedicate program resources in the regions. This chapter discusses program funding and suggests changes to the current funding structure.

How the Program is Funded

The program is funded by the sale of upland game bird hunting licenses. The program receives $2 from each resident game bird license, $2 from each combination sports license, $23 from each nonresident game bird license, and $23 from each nonresident big game combination license. The following table outlines the distribution of the resident and nonresident upland game bird hunting licenses to the program.

Table 4
2008 Distribution of Upland Game Bird Hunting License Fee to the UGBEP

License Type	Total Cost	UGBEP Allocation	General License Account Allocation	Block Management Allocation	% of License Fee to UGBEP
Resident UGB License	$7.50	$2.00	$5.50	$0.00	27%
Nonresident UGB License	$110.00	$23.00	$32.00	$55.00	21%

Source: Compiled by the Legislative Audit Division from FWP records.

As shown, the program receives 27 percent and 21 percent of the cost of each resident and nonresident upland game bird hunting license sold, respectively. The remaining is allocated to the Department of Fish, Wildlife and Parks' (FWP) general license account and other programs.

Program statutes outline how program revenues are to be used for releasing upland game birds and enhancing, developing and conserving habitat. As discussed in Chapter II, Section 87-1-247(3)(a), MCA, mandates at least 15 percent of the funds designated for program funding from the sale of upland game bird hunting licenses be set aside for expenditures related to upland game bird releases and at least 25 percent of these funds be spent each year. Section 87-1-247(1), MCA, also establishes that no more than

15 percent of funds collected through the sale of upland game bird hunting licenses can be used for expenses related to specific administrative duties. These duties include preparing and disseminating information to landowners and organizations concerning the UGBEP, reviewing potential upland game bird release sites, assisting applicants in preparing management plans for project areas, and evaluating the UGBEP.

Since the creation of the UGBEP, the department has interpreted program statute requirements to apply on an annual basis. However, in 2008 the department determined that section 87-1-247(1), MCA, could be interpreted in such a way in which all unspent administration expenses below the 15 percent limit can be used for administration duties in a future year, therefore making unspent administration expenses cumulative. However, although unused administrative funds could help address some program needs, this should not be viewed as a long term fix, as eventually all previously unspent funds would be used.

The historical interpretation of program statutes by the department, as well as the inability to place dedicated resources in the regions, has impacted the program in two ways; the habitat enhancement program fund balance is increasing, and the number of new habitat enhancement projects being created annually is decreasing.

The Habitat Enhancement Program Fund Balance is Increasing

Since fiscal year 2002, annual program revenues have averaged approximately $680,000 from upland game bird hunting license revenues and $81,000 from interest. Below is a table displaying total program revenues and expenditures from fiscal year 2002 through fiscal year 2008.

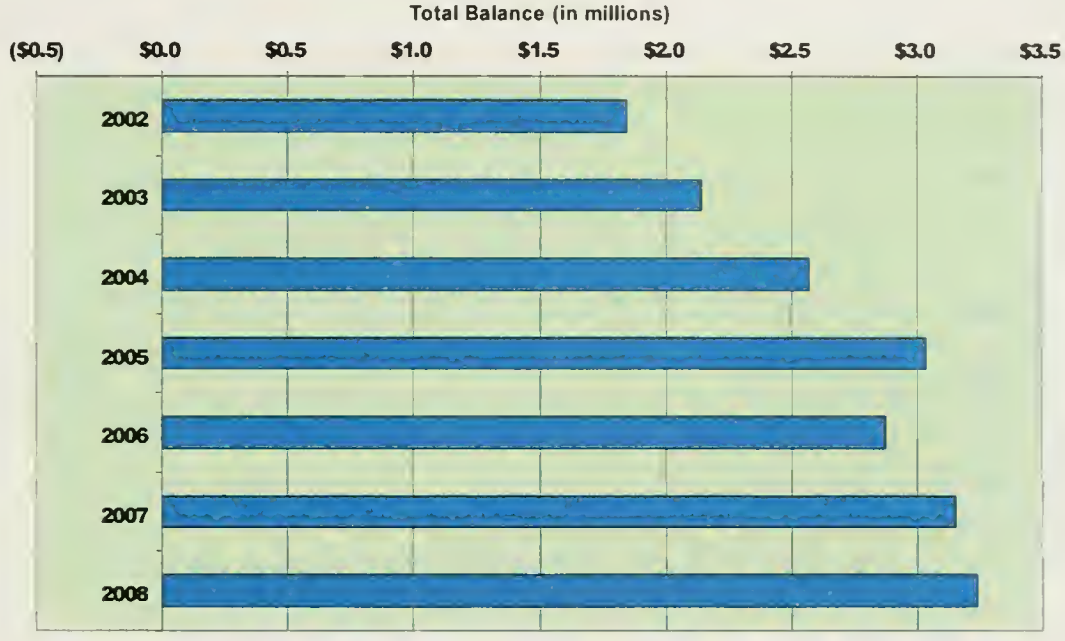
Table 5
Program Revenues and Expenditures
FY 2002-2008

Fiscal Year	Upland Game Bird Hunting License Revenue	Interest Revenue	Total Income	Total NonAdministrative Expenditures	Total Administrative Expenditures	Total Unspent Revenues
2002	$669,710	$47,998	$717,708	$201,763	$60,957	$454,988
2003	$636,343	$29,043	$665,386	$309,000	$61,594	$294,792
2004	$690,078	$24,406	$714,484	$235,758	$49,143	$429,583
2005	$675,917	$61,550	$737,467	$215,248	$53,614	$468,605
2006	$680,941	$118,025	$798,966	$906,548	$56,496	($164,078)
2007	$697,654	$152,134	$849,788	$523,402	$47,690	$278,696
2008	$701,343	$130,381	$831,724	$663,535	$82,381	$85,808

Source: Compiled by the Legislative Audit Division from FWP records.

As shown, with the exception of 2006, the program has not been spending all program revenues. Section 87-1-247(2), MCA, states the "remainder of the money raised must be used for releasing upland game birds in suitable habitat and for the development, enhancement, and conservation of upland game bird habitat in Montana." Consequently, a fund balance has accumulated and now amounts to $3.2 million dollars. The figure below outlines the habitat enhancement program fund balance from fiscal years 2002 through 2008.

Figure 2
Fiscal Year-End Habitat Enhancement Fund Balance



Source: Compiled by the Legislative Audit Division from FWP records.

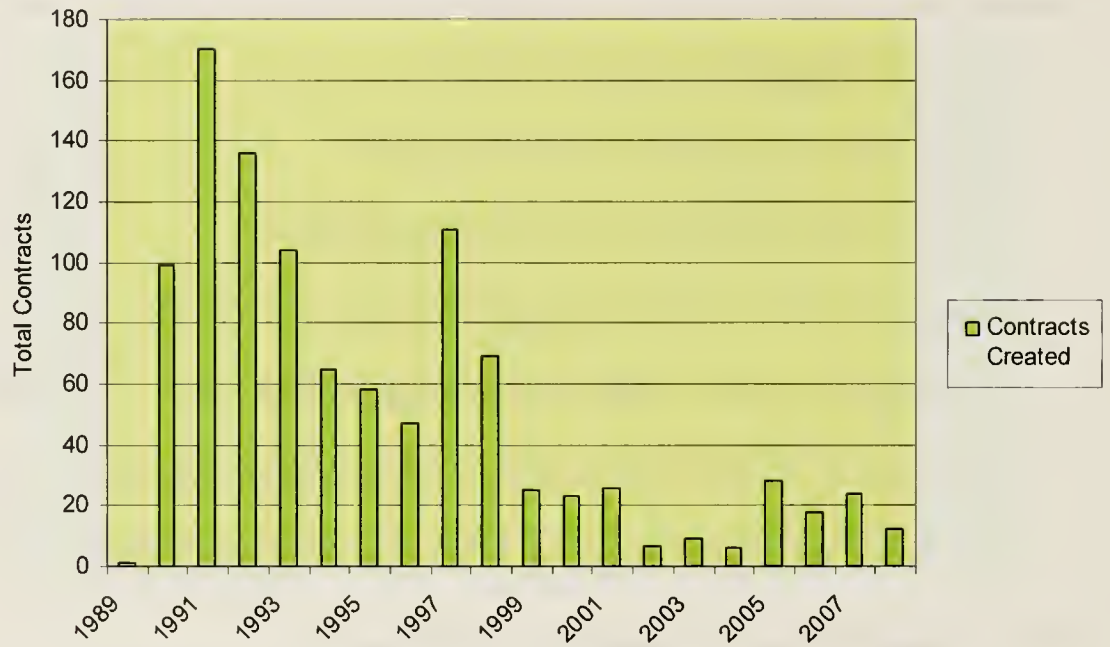
As shown, the habitat enhancement program's fund balance has generally increased each year since 2002.

Habitat Enhancement Program Project Trends

Besides the increasing fund balance, the program's funding designations has resulted in the program being unable to dedicate program resources in the regions. During the mid 1990s, the habitat enhancement program concentrated much of its expansion efforts on placing projects on properties enrolled in the U.S. Department of Agriculture's (USDA) Conservation Reserve Program (CRP). CRP pays farmers to take highly erodible land out of crop production and plant it primarily with a mixture of grasses and forbs. The grasslands stabilize soil, reduce erosion, and provide wildlife habitat.

Landowners generally sign up for ten-year contracts, during which they agree not to raise crops on the acres in return for annual payments. Because the USDA allowed FWP to plant native grasses on CRP lands, there was a natural relationship between the habitat enhancement program and CRP. The habitat enhancement program used this relationship to create many new habitat projects. The figure below outlines the amount of new habitat enhancement projects created annually between 1989 and 2008.

Figure 3
Total New Habitat Enhancement Contracts Created Each Calendar Year
As of August 2008



Source: Compiled by the Legislative Audit Division from FWP records.

The early to mid 1990s saw the highest level of habitat enhancement contract activity. However, the number of new contracts started to decline in 1999. There are various reasons for this decline. According to department staff, the increasing value of wheat and other crops have influenced some landowners to take their land out of CRP and turn it back into crop production. Another reason for the decline is the limited time wildlife biologists have in the region to work with new landowners to gauge interest in the habitat enhancement program. Department staff stated the biologists have many other duties that often hold a higher priority over the habitat enhancement program, consequently decreasing the time they can spend on the program. The losses of CRP lands, coupled with the decreasing time biologists can work on the habitat enhancement projects, are potentially impacting the future of the habitat enhancement program in Montana.

How Have Statutory Requirements Impacted Program Activities?

While habitat enhancement program funds are available for developing, enhancing, and conserving upland game bird habitat at the regional level, limited regional resources are dedicated to the habitat enhancement program. As mentioned in Chapter II, all regional program activities are the responsibility of regional FWP wildlife biologists. Several other programs rely on these wildlife biologists to address other department programs. For example, interviews with biologists found they spend limited time on program activities because other job duties, such as big game counts, take up the majority of their time. Other FWP programs have benefited from having dedicated regional resources. Having dedicated resources in the regions has helped the Block Management program increase the total landowners participating in the program. Regional Block Management coordinators spend the majority of their time educating and enrolling landowners. Additionally, the department annually hires 30-40 seasonal Block Management technicians to help the coordinator with putting up Block Management signs, picking up hunting permission slips, and patrolling block management areas.

The 2003 Upland Game Bird Citizen's Advisory Council recommended the department dedicate specific resources to the regions to enhance program operations. Similar to the makeup of the Block Management program, the council recommended upland game bird coordinators be placed in the regions to assist with project development, landowner relations, etc. (regions 1 and 2, and regions 3 and 5 would both share a coordinator, and regions 4, 6, and 7 would each have their own coordinator). However, the department has not implemented this recommendation.

Audit work found the program has a growing fund balance and a declining trend in the number of new habitat enhancement contracts created annually. The department has tried to address these issues using various approaches such as developing partnerships with groups such as Habitat Forever. However, as will be discussed in the next chapter, the approaches may not be addressing the long-term needs of the program. According to department officials, they have been reluctant to take steps, such as dedicating additional program resources to the regions as suggested by the 2003 Upland Game Bird Citizen's Advisory Council, out of concern the program would exceed expenditures of 15 percent for administrative-related duties identified in section 87-1-247(1), MCA.

CONCLUSION

Program statutory funding designations impact how the program is administered by limiting dedicated resources.

Statute Limits Program Effectiveness

According to department officials, the UGBEP is the only FWP wildlife management program that has a statutory designation on administrative-related expenses. Other programs that manage wildlife, such as big game animals or waterfowl, do not have statutory designations on where or how the department can administer these programs. In addition, we noted other states, such as South Dakota, are not subject to statutory spending limits for wildlife management or habitat programs. The present 15 percent limit on program administrative expenses has limited the flexibility the department needs to effectively manage the program. This limit has impacted FWP's ability to actively pursue new relationships with landowners, which results in new projects not being pursued or developed.

RECOMMENDATION #1

We recommend the department revisit the 15 percent funding allocations that can be used for designated administrative duties found in section 87-1-247(1), MCA.

CHAPTER IV – Management of the UGBEP Program

Introduction

Our final audit objective is related to management controls. Management controls are used daily by managers and employees to accomplish the program's identified objectives and are usually preventive or detective in nature. They are the operational methods that enable work to proceed as expected. They are necessary within an organization because they ensure programs achieve intended results and that they align with the Department of Fish, Wildlife and Parks' (FWP) mission. Additionally, management controls help ensure state and federal laws and regulations are followed, and reliable information is obtained, maintained, reported and used for decision-making. This chapter addresses the need for improving management controls over the Upland Game Bird Enhancement Program (UGBEP).

Limited Management Controls are Impacting Program Priority and Future

Limited management controls for the program are impacting the program in several ways. First, the program has historically had a problem gaining momentum within the department. Interviews with department staff and management in Helena and in the regions indicated the program is not necessarily a priority because the program's main purpose (upland game birds) keeps it from receiving as much attention as other wildlife programs. Other wildlife programs have management plans outlining specific goals and objectives but the UGBEP does not. Consequently, the UGBEP is a lower priority than other department wildlife programs and FWP staff spend most of their time working with these other programs. It is generally up to the regional staff's own discretion on how much emphasis UGBEP activities receive. While regional decisions appear to be legitimate activities for the program, it is unclear if these decisions by either the Wildlife Division or the regions will result in long-term benefits for the program. This is illustrated by the number of projects expiring in the upcoming years. Audit work found 61 percent of Upland Game Bird Habitat Enhancement Program (UGBHEP) projects will expire in the next five years. In one region (Region 2), 100 percent of the projects will be expiring in the next two years. These trends are illustrated in the following table.

Table 6
Number and Percentage of Habitat Enhancement Projects Expiring
Calendar Year 2009-2013

Current Number of Active Projects	Region	Expiring Projects by Year					
		2009	2010	2011	2012	2013	Total Expired Projects by Region (%)
6	1	0	3	0	1	0	4 (67%)
13	2	9	4	0	0	0	13 (100%)
11	3	4	1	1	2	0	8 (73%)
86	4	8	15	10	13	9	55 (64%)
39	5	4	5	1	2	3	15 (38%)
119	6	27	20	12	16	0	75 (63%)
80	7	13	16	11	7	0	47 (59%)
Total 354	Total Expired Projects	65	64	35	41	12	217 (61%)

Source: Compiled by the Legislative Audit Division from FWP records.

Based on the declining trend in the number of new habitat enhancement projects being created, it is likely this trend of expiring projects will continue beyond the five-year time period. This raises questions on the future sustainability of the program. Presently, FWP has no formal plans on how to address this decline in project numbers or other potential issues, such as the potential listing of the sage grouse as an endangered species. Program decisions generally appear to be based more on a reactive rather than a proactive basis. We believe developing a long-term strategic/management plan is needed to address these types of program management issues.

Strategic Planning Could Better Focus Program Decisions and Regional Activities

Strategic planning and management controls are both considered fundamental in the practice of effective management. Strategic planning is often thought of as the beginning of the management process with management controls in place to ensure the plan is being followed. Strategic planning determines where a program is going over the next year or more and how it is going to get there. A strategic plan is the result of managers conducting a thorough analysis of their departmental mission and responding to changes in operational/political environments and focusing available resources to accomplish key requirements. Some key aspects of strategic plans are:

- Outlining a long-range scope for program activities
- Developing quantifiable and measurable goals and objectives
- Identifying and prioritizing what resources are needed to complete the goals and objectives
- Identifying and obtaining input from key stakeholders
- Identifying key factors beyond the control of the agency which could affect meeting its goals and objectives
- Determining how goals and objectives would be accomplished by developing a performance action plan
- Identifying an evaluation process to establish or review goals and objectives

In order for any strategic planning process to work, it must include long-term goals and objectives and performance measurements that align with statutory requirements of the program. Goals, objectives and performance measures help build accountability into a program's operations.

FWP refers to its strategic plans as management plans. Without an UGBEP management plan, the program cannot determine if the present number of projects is ideal for the program. Also, the lack of a management plan makes the future of this program uncertain. For example, the department is researching various new areas to focus program efforts and mitigate current project trends. Some options being explored include:

- Increasing use of UGBHEP funds in combination with other funding sources to help purchase conservation easements on quality upland game bird habitats.
- Conducting operational reviews of a number of state-managed Wildlife Management Areas in hopes of expanding quality pheasant and turkey habitat on some of these areas.
- Anticipating purchase of additional sagebrush grassland leases in high priority sage grouse habitats.
- Investigating different ways to further integrate the UGBEP with the department's Hunting Access Enhancement Program.
- Working to expand the UGBHEP through local conservation groups.

Without a management plan outlining the long-term goals for the program, the department is unable to determine if these options are in the best interest of the program.

Management Plans Exist in Other Habitat Programs

Under section 87-1-201, MCA, FWP is charged by law with responsibility for protecting, preserving and perpetuating fish, game and furbearer populations, as well as game and nongame bird populations within the state. As part of these responsibilities, FWP creates management plans to carry out its duties in managing wildlife and its habitat. The focus of these management plans pertains to the long-term viability of wildlife populations that provide aesthetic and recreational benefits to Montana citizens and visitors. FWP also uses the plans to provide guidance to staff and management for planning and policy decisions regarding wildlife management activities. These plans help department personnel prioritize field activities, manage time and budgets, make management recommendations and coordinate management with other state and federal agencies and private landowners. The Wildlife Division has management plans in place for elk, deer, black bear, mountain lions, and big horned sheep. In 2003, an Upland Game Bird Citizen's Advisory Council recommended the program develop a 10-year upland game bird plan. Despite this recommendation, there is still not a management plan in place for upland game birds. According to FWP personnel, development of a management plan is considered an administrative expense and takes significant time and resources to complete. Consequently, development of an upland game bird management plan has not been possible because the department could have exceeded the statutorily required 15 percent limit on UGBEP administrative expenses.

Game Management Planning in Other States

Developing management plans to effectively manage wildlife and wildlife habitat is common practice. Audit work found other wildlife management agencies in other states have management plans in place for both wildlife management and specific wildlife habitat programs. For example, South Dakota developed plans for wildlife management and managing habitat for a variety of big game and game bird populations. A major goal for South Dakota's management plans is to ensure healthy wildlife populations on private lands, and provide public access to those wildlife resources.

Develop a Long-Term Program Management Plan

FWP has not developed a management plan for the program even though the program is more than 20 years old. To ensure the continued viability of the program, FWP should establish a management plan that includes goals and objectives, and performance measures, and helps the department prioritize resources to meet established goals and objectives.

RECOMMENDATION #2

We recommend the department develop an Upland Game Bird Enhancement Program management plan that guides the long-term vision of the program, which is driven by specific goals, quantifiable objectives, and results-oriented performance measures.

UGBEP Advisory Council Could Improve Program Accountability

Management planning is effective if a process exists to review whether goals and objectives are being accomplished. One way of doing this is to establish a formal reporting structure. Methods used by FWP for other programs have been through the use of advisory councils, such as the wolf management advisory council and the wetlands protection advisory council. Under section 2-15-122(1)(a), MCA, a department head may create advisory councils. According to the department, these councils:

- Give citizens more direct input into FWP decisions
- Help FWP personnel be more available and responsive to the public
- Help FWP identify issues before they become problems
- Assist FWP with crafting local, sustainable solutions to both regional and statewide issues

These citizen's advisory councils provide opportunities to obtain input from stakeholders, evaluate if goals and objectives are being achieved and increase program accountability. The program had a citizen's advisory council in 2003. However, this council, which was only meant to be in place for a short period of time, did not provide a reporting review mechanism for program activities. A permanent advisory council would be beneficial for the program's ability to create an effective management plan that outlines what is best for each region and the program as a whole. In addition, the creation of an advisory council could help emphasize prioritization of the program within the department.

RECOMMENDATION #3

We recommend the department create an Upland Game Bird Enhancement Program advisory council to assist in management planning and to provide a review mechanism for assessing whether program goals and objectives are being accomplished.

Program Management Information

Whereas strategic planning is often thought of as the beginning of the management process, management information provides data that facilitates performance measurement to ensure the plan is followed. Management information is used by managers and employees to make day-to-day decisions and to assess the efficiency and effectiveness of program activities. It is important for a program such as the UGBEP to have reliable and timely information to effectively manage the program. Part of our second objective evaluated the program information used to make management decisions.

Database Information Incomplete and Inaccurate

The program uses a database in Helena to compile information regarding operations. Information collected includes contract contact information and specifics regarding upland game bird release projects and habitat enhancement projects, such as project type and length, project size and hunting acreage size, cost-share data, etc.

Audit work found the program database has a significant amount of incomplete information. For example, we noted incorrect or missing data related to contract termination dates, hunting and project acreage, and cost-share requirements. The database includes information pertaining to all program contracts; both active and expired. The following table illustrates the type and extent of issues identified during our review of the database.

Table 7
Types and Amount of Incomplete Information Found in Database

Contract Component	Number Incomplete	Percentage Incomplete
Contract Termination Date	371	24%
Project Acreage	1,052	68%
FWP Cost-Share	513	33%
Landowner Cost-Share	1,245	80%
Third-Party Landowner Cost-Share	1,243	80%

Source: Compiled by the Legislative Audit Division from FWP records.

As the table shows, the database is missing information for a significant portion of the contracts. For example, 24 percent of the contracts entered into the database had missing termination dates and 80 percent of project landowner cost-share data was missing.

We also reviewed a judgmental sample of 10 habitat enhancement contracts and compared this to the information found in the database. This comparison identified inaccuracies with database information. For example, in one contract the database contained inaccurate contract effective date and project termination date information, was missing hunting acreage and FWP and landowner cost-share data, and had an inconsistent county location.

Database Inaccuracies Impact Program Management

The current state of the database impacts the department's ability to effectively manage the program. For example, ARM 12.9.705(1)(c) states "the department will cover no more than 75 percent of the total cost of any upland game bird habitat enhancement project entered into with a cooperator resulting in improvements on property owned or controlled by that cooperator." However, the information in the database does not provide the department with the ability to readily determine if projects are in compliance with this requirement without reviewing each individual contract.

Unreliable database information also inhibits the department's ability to accurately assess program trends statewide and in the regions. For example, it is difficult for the program to correctly measure the total number of hunting acres available. Personnel are also unable to use the information to evaluate potential impacts of expiring habitat enhancement projects, or determine which areas of the state FWP should focus or prioritize its efforts to bring new landowners into the program.

Program Information Needed at Regional Level

In addition, regional personnel do not have access to the program database, which limits their ability to readily access program management information. Currently, regional personnel must rely on copies of contracts to identify project requirements and attributes. Access to the database would allow personnel to retrieve valuable regional program information and make informed decisions about what kind of projects are needed and where these projects should be located. Providing access to regional personnel would also allow them to more proactively manage the program. This will be especially important in the coming years as the program finds itself decreasing in size and in need of more proactive management.

Other FWP Programs Provide Regional Database Information

FWP's Block Management program is a hunter access enhancement program which is generally administered by the regions. As discussed in Chapter III, the Block Management program relies on regional staff to develop contracts with private

landowners allowing public hunting access. All contracts are entered into a statewide database system called the Block Management database.

The Block Management program allows its regional Block Management coordinators to enter contract data into the program database once they complete a contract with a landowner. The original contracts are sent to Block Management personnel in Helena who double-check the information entered by regional staff. The coordinators also have access to database information which, according to FWP personnel, allows them to obtain timely and readily accessible information regarding Block Management activities in their region.

How to Prevent Future Database Errors

Interviews with department staff indicated database information problems occurred due to a variety of reasons, such as information that was not accurately transferred when the program transitioned to their existing database. However, a major contributing cause for these errors is due to all contract data being entered by one Wildlife Division employee located in Helena. According to department staff, this information is not double-checked by another employee to ensure accuracy because of time constraints. This staff person is currently responsible for data entry of over 350 projects. The department could improve the database by defining and implementing procedures to ensure integrity and consistency of all data stored in the databases. Such controls could ensure:

- all information is double-checked to ensure accuracy
- all information is entered
- only certain data formats (i.e. dates, currency, etc.) can be entered

The recent hiring of the UGBEP biologist in October 2008 will help correct the database errors. One of the priorities for this position in the first six months of employment is to compare every physical contract with its counterpart in the database. The intent is to have the database completely mirror the information found in the contracts, which would increase its usefulness when making management decisions.

RECOMMENDATION #4

We recommend the department:

A. *Take steps to correct existing database information to assure data is complete and accurate as required in the work plan for the Upland Game Bird Enhancement Program biologist*

B. *Establish controls to assure database information is complete and accurate*

C. *Assure program information is accessible at the regional level.*

Department of Fish, Wildlife and Parks

Department Response

Montana Fish, Wildlife & Parks

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Ref: DO136-09
March 23, 2009

Angie Grove
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Legislative Audit Division
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RECEIVED
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LEGISLATIVE AUDIT DIV.

Dear Angie:

Montana Fish, Wildlife and Parks (FWP) has received the final performance audit report of the Upland Game Bird Enhancement Program (March 2009). We appreciate the efforts of your staff to gain a thorough understanding of this program and its complexities, and their efforts to provide meaningful recommendations to make it better. FWP staff is proud of this program and its accomplishments and enjoyed sharing those with the Audit staff.

The Department's response to the four recommendations are as follows:

Recommendation #1: *We recommend the department revisit the 15% funding allocations that can be used for designated administrative duties found in section 87-1-247(1) MCA.*

FWP concurs with the audit that the 15% cap on use of funds for administrative purposes limits the flexibility the Department needs to effectively manage the program and has impacted FWP's ability to pursue new projects with landowners. Because the cap is statutorily directed, to modify it will require legislative action. Towards that end, the Department has supported HB499 in the 2009 Legislature, which would remove the cap. Should HB499 not pass, FWP will pursue legislative remedy in future legislative sessions.

Recommendation #2: *We recommend the department develop an Upland Game Bird Enhancement Program management plan that guides the long-term vision of the program, which is driven by specific goals, quantifiable objectives, and results-oriented performance measures.*

FWP concurs that a program management plan with goals, objectives, and performance measures will improve management effectiveness. As noted in the audit, FWP recently redirected FTE and established an Upland Game Bird Enhancement Program biologist position whose responsibility is program oversight. This position will be tasked with developing a program strategic plan, in coordination with regional staff, beginning in July 2009, with a goal of having a plan completed by January 2011.

Recommendation #3: *We recommend the department create an Upland Game Bird Enhancement Program advisory council to assist in management planning and to provide a review mechanism for assessing whether program goals and objectives are being accomplished.*

FWP concurs, and by July 1, 2009 will develop a process for soliciting and selecting citizens to serve on the advisory committee in order to use this advisory committee to provide input into the management plan identified in recommendation #2.

HB 499 directs the Department to establish such a committee and includes some requirements of such a committee, so if HB499 passes, FWP will use the direction in that legislation to help guide establishment of this committee.

Recommendation #4: *We recommend the department:*

A. Take steps to correct existing database information to assure data is complete and accurate as required in the work plan for the Upland Game Bird Enhancement Program biologist.

B. *Establish controls to assure database information is complete and accurate.*

C. *Assure program information is accessible at the regional level.*

As noted above, FWP recently redirected FTE to establish an Upland Game Bird Enhancement Program biologist whose responsibilities include correcting the existing database information and establishing controls to assure database information is complete and accurate. This position has been tasked to review information in the database and correct deficiencies. This position also will verify that all new information entered in the database is accurate and complete. New contracts with incomplete information will not be approved until all required information is provided. FWP will work with the Information Services Division to modify the existing database so that information contained therein can be accessed by regional staff, at least in each of the regional offices.

We want to thank you again for your efforts and look forward to improved program accountability as a result.

Sincerely,

Joe Maurier
Acting Director

c: Ken McDonald